

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2023-01
Bill No.: SB 659
Subject: Economic Development Dept.; Health Care; Health Care Professionals; Medical Procedures and Personnel; Physicians
Type: Original
Date: April 22, 2003

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2004 | FY 2005 | FY 2006 |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|--|------------|------------------|----------------|
| FUND AFFECTED | FY 2004 | FY 2005 | FY 2006 |
| Board of Registration for Healing Arts Fund | \$0 | (\$4,698) | (\$658) |
| Total Estimated Net Effect on Other State Funds | \$0 | (\$4,698) | (\$658) |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2004 | FY 2005 | FY 2006 |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2004 | FY 2005 | FY 2006 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development – Division of Professional Registration (DPR)** assume the proposal would result in an increase in workload due to approximately 251 supervision agreements submitted annually for review by the Board of Healing Arts. DPR assumes the need for two (2) additional FTE – one Investigator II and one Licensure Technician II at \$37,488 and \$24,492 per year, respectively. DPR assumes an Investigator will be needed to routinely audit and review each physician assistant agreement and the documentation of the joint review of practice. DPR estimates that each review will take eight (8) hours each (251 licensees x 8 hours = 2,008 hours). DPR assumes the audits and reviews can be conducted in the board office. DPR notes if travel is required, additional expense and equipment appropriation will be needed. DPR assumes a Licensure Technician II will be needed to provide technical support to the Investigator II. DPR assumes rental space will be needed for these additional FTE at an annual cost of approximately \$3,500. DPR calculates the cost to the Board of Registration for Healing Arts Fund to be approximately \$102,500 annually beginning in FY 2005. DPR assumes the Board will not have the required appropriation for this proposal until FY 2005.

DPR states a license fee increase for physician assistants will be necessary to cover the costs associated with this proposal. DPR assumes an increase of approximately \$375 per year per licensee will provide revenue to the Board of Registration for Healing Arts Fund in the amount

ASSUMPTION (continued)

\$94,125 beginning in FY 2005.

DPR assumes the net effect on the Board of Registration for Healing Arts Fund will be a loss of approximately \$8,500 annually beginning in FY 2005.

Oversight notes in response to an identical proposal from the 2000 legislative session, DPR assumed 188 supervision agreements would be submitted annually for review and each review would take six to eight hours each (188 x 7 hours = 1,316 hours). DPR assumed this additional workload would require a .50 Investigator II (.50 FTE at \$36,648 per year). DPR assumed costs to the Board of Registration for Healing Arts Fund of approximately \$25,000 annually and stated a license fee increase may be necessary to cover the costs associated with the proposal.

Oversight visited the Board of Registration for Healing Arts, Commission Statistics, website and found that there are 265 physician assistants listed as of the date of this fiscal note. **Oversight** assumes DPR's estimate of 2,008 additional review hours associated with this proposal could be performed by one (1) additional FTE. **Oversight** assumes DPR can accommodate one additional employee without requiring rental space. **Oversight** assumes the license fee increase should be \$225 which should cover the costs associated with this proposal.

| <u>FISCAL IMPACT - State Government</u> | FY 2004 (10 Mo.) | FY 2005 | FY 2006 |
|---|---------------------|---------|---------|
|---|---------------------|---------|---------|

**BOARD OF REGISTRATION FOR
HEALING ARTS FUND**

Revenue – DPR

| | | | |
|----------------------|-----|----------|----------|
| License Fee Increase | \$0 | \$56,475 | \$56,475 |
|----------------------|-----|----------|----------|

Costs – DPR

| | | | |
|--------------------------|------------|------------------|----------------|
| Personal Service (1 FTE) | \$0 | (\$39,386) | (\$40,370) |
| Fringe Benefits | \$0 | (\$15,940) | (\$16,338) |
| Expense and Equipment | <u>\$0</u> | <u>(\$5,847)</u> | <u>(\$425)</u> |
| Total <u>Costs</u> – DPR | \$0 | (\$61,173) | (\$57,133) |

**ESTIMATED NET EFFECT ON
BOARD OF REGISTRATION FOR
HEALING ARTS FUND**

| | <u>\$0</u> | <u>(\$4,698)</u> | <u>(\$658)</u> |
|---|---------------------|-------------------------|-----------------------|
| <u>FISCAL IMPACT - Local Government</u> | FY 2004 (10 Mo.) | FY 2005 | FY 2006 |
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal modifies the regulation and supervision of physician assistants. The definition of "supervision" requires that there be "direct, on-site" control in the same office where a physician is present.

Except in an emergency, physician assistants are prohibited from performing any of the listed procedures in Section 334.735, RSMo, on a new patient without prior examination, evaluation and diagnosis of the supervising physician. For the treatment of existing patients, physician assistants must obtain prior approval through a documented order, signed and dated by the physician.

The board of registration for the healing arts shall require all physician assistants to notify the board whenever the physician assistant practices pursuant to a physician supervision agreement, during each renewal and within thirty days of any change. The board shall track this information, make it available to the public, and shall routinely audit and review physician assistant supervision agreements and the documentation of the joint review of practice between a supervising physician and physician assistant for compliance with this chapter.

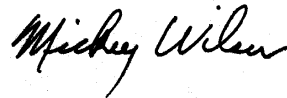
The current subsection (8) of section 334.735, which deals with certain physician supervision agreements, is deleted. New language requires physician assistants to carry individual liability insurance in an amount no less than \$1 million dollars. New language also states that it will be against public policy to make contracts or agreements that require a physician to supervise a

physician assistant without also providing a right to refuse supervision if the physician assistant is not believed to have the necessary level of skill and competence.

This proposal is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development – Professional Registration

A handwritten signature in black ink, reading "Mickey Wilson". The signature is written in a cursive, flowing style.

MICKEY WILSON, CPA
DIRECTOR

APRIL 22, 2003